

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF SOUTH CAROLINA**

IN RE:

Stone/Light, Inc.,

Debtor.

Case No. 10-02510-dd

**MOTION FOR SALE OF PERSONAL
PROPERTY FREE AND CLEAR OF
LIENS**

Chapter 11

Stone/Light, Inc., through its undersigned attorney, would show the Court that:

JURISDICTION AND VENUE

1. This is an action pursuant to 11 U.S.C. Sections 105(a), 345(b) and 363(c).
2. Court has jurisdiction over this matter pursuant to 28 U.S.C. Section 1334 and Local Civil Rule 83.1X.01, District of South Carolina. This Motion is a core proceeding pursuant to 28 U.S.C. Section 157(b)(2)(A).
3. Venue is with this Court pursuant to 28 U.S.C. Sections 1408 and 1409.

PROCEDURAL HISTORY

4. This case was commenced by the filing in this Court by the Debtor of its Original Petition for relief under Chapter 11 on April 6, 2010.
5. The Debtor remains in possession of its assets, and continues to operate its business as Debtor-in-Possession pursuant to 11 U.S.C. Sections 1107(a) and 1108.
6. No request for the appointment of a Trustee, or an examiner has been made in this case.
7. As of the date hereof, no Official Creditors' Committee has been appointed or designated.

DESCRIPTION OF DEBTOR

8. The Debtor is a subcontractor, providing services for numerous owners and general contractors in Coastal South Carolina and Georgia, with its headquarters in Bluffton, South Carolina.
9. The Debtor was one of the Carolina Lowcountry's largest hardscape contractors, offering its customers a full range of hardscape, brick and masonry work and

concrete flatwork our portfolio ranges from small, simple residential jobs to large, complex commercial projects.

10. The Debtor also provided landscape lighting, and commercial and residential HVAC design and installation.

11. The Debtor is no longer operating: it ceased all work, except for its supervising of warranty work on jobs it has completed, prior to the commencement of this Case.

12. The Debtor ceased its operations when its Board of Directors determined that there would be, *in futuro*, insufficient work to support its overhead; and determined it was more economical and in all parties' best interests to simply shut its doors and go out of business.

13. The Debtor, as a result of the shut-down, has large quantities of equipment, personalty and materials ["physical personalty"] for which it has no further use, as set forth in Exhibit A to its Sales Notice, contemporaneously filed herewith.

14. In addition to the physical personalty, the Debtor has

A. Substantial retainages remaining on contracts in progress, or completed and being held for the running of the times for warranties on the work done by the Debtor. Those warranties are either about to expire, by their terms, or the Debtor has contracted with third parties to complete those warranties. The Debtor believes that it shall realize in excess of \$50,000 from those retainages; and management of the Debtor is actively pursuing, at no expense to the Estate, those retainages.

B. Over \$1,000,000 in accounts receivable owing to it. The Debtor believes that at least ¾ of those are collectible; and management of the Debtor is actively pursuing, at no expense to the Estate.

C. A development lot that the Debtor believes is worth the debt owed on it.

15. A listing of the physical personalty owned by the Debtor is further set forth in Schedule B of the Debtor's Amended Schedules and Statements of Affairs, on file with this Court.

16. The Debtor is incurring monthly rent, insurance, and maintenance to preserve and protect that physical personalty, at great expense to the Debtor, and depleting the sums that would otherwise be available for the creditors of the Debtor.

17. There are some liens against the physical personalty as set forth in Schedule D of the Debtor's Amended Schedules and Statements of Affairs, on file with the court. They are:

A. Branch Banking and Trust Company ("BB&T"), with a wrap lien on all assets of the Debtor, including its receivables, its physical personalty, and certain real estate of the Debtor, for less than \$550,000;

B. Wells Fargo Equipment Finance, Inc. ("Wells Fargo"), with a debt of less than \$20,000.00, and a lien on several specific pieces of equipment; and

C. Travelers Casualty and Surety Company of America ("Travelers"), with an indeterminate debt arising out of its surety bonds, and holding a lien on accounts receivable owed the Debtor.

18. BB&T consents to the auction proposed herein pursuant to the terms specified in Exhibit A as attached to the Notice of Sale: it has agreed to a 20% carve-out for the unsecured creditors of this Estate from the sales of so much of the physical personalty as is under its wrap-lien.

19. Wells Fargo shall be paid in full from the sale of its collateral: its consent is not needed.

20. The Debtor estimates that its debts are as follows:

A. BB&T, \$548,000;

B. Wells Fargo, \$18,500;

C. Taxes, None

D. Traveler's Subrogation Rights, \$100,000.

E. Unsecured Claims, \$1,000,000.

21. The Debtor believes that the auction shall net approximately \$175,000.

A. All of the Debtor's titled vehicles, and one of its boats, are lien-free. Those proceeds shall be available for all of its secured creditors. The Debtor believes that part of its physical personalty shall net about \$50,000; all of this should be available to pay its Unsecured Claims.

B. The Debtor believes that the proceeds of sale of its physical personalty that is under lien to Wells Fargo should pay its claim in full, and there should be approximately \$10,000 available for its creditors. BB&T may assert a claim in this

money – if so, it would reduce the BB&T claim by 80% such amount, leaving \$2,000 available for the Unsecured Creditors of this Estate.

C. The sale of the remaining physical personalty, the Debtor believes, shall generate net proceeds of at least \$60,000. Such proceeds would reduce the claim by 80% of such amount, and \$12,000 thereof would be available for the Unsecured Creditors of this Estate.

22. The Debtor believes that the collection of its receivables, due and owing as of its date of bankruptcy, shall generate sufficient funds to ultimately fully pay BB&T's claim; and shall result in approximately \$250,000 to apply to the claims of the Unsecured Creditors of this Estate.

23. The Debtor believes, accordingly, that the claims of the Estate shall be reduced substantially as a result of this sale: and that the expense to the Estate of preserving, maintaining and insuring the physical personalty shall inure to the benefit of the Estate's creditors.

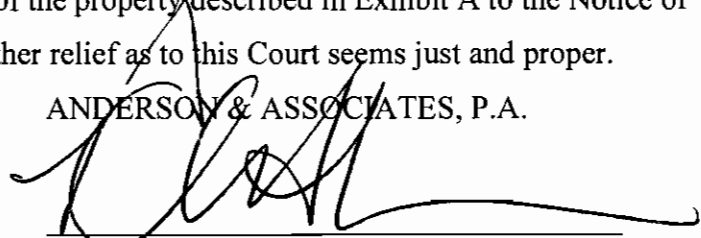
24. The Court, heretofore, has authorized the Debtor to employ Godley Auction Company to auction the physical personalty of the Debtor. The Debtor proposes a public auction to be held at its leased premises in Bluffton, South Carolina, on July 10, 2010.

25. The Debtor is informed and believes that it shall have a Plan of Reorganization and Disclosure Statement filed, and prepared for consideration pursuant to the Bankruptcy Code, by no later than July 15th.

WHEREFORE your Debtor prays that this Court look into the matters herein set forth; issue its order authorizing the sale of the property described in Exhibit A to the Notice of Sale; and grant unto it such other and further relief as to this Court seems just and proper.

ANDERSON & ASSOCIATES, P.A.

By:



Robert F. Anderson, (ID #1091)

Attorney for Stone/Light, Inc.

Post Office Box 76

Columbia, SC 29202

(803) 252-8600; Email: bob@andersonlawfirm.net

Columbia, South Carolina
May 18, 2010